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EXHIBIT A.12



Original URL:

http://www.theregister.co.uk/2008/12/15/emc_closes_belgian_centera_dev_centre/

Centera Belgian development centre to close

Centera itself not threatened, though

By Chris Mellor

Posted in Storage, 15th December 2008 14:20 GMT

EMC intends to close down its Centera development centre in Belgium, putting 50 jobs at risk, but absolutely denies that the Centera product is coming to the end of its life.

The intended layoffs are part of company wide cutbacks which surfaced [1] earlier this month. They raise a question about the future of Centera and its object storage technology, known as a content addressing system (CAS). This involves the single instance archival storage of objects on a disk array system with proprietary API access. Objects are given a hash value and this is used to uniquely identify them, to help prevent data loss and to protect against tampering as any changes to an object change its hash value.

Much Centera software development takes place at an EMC facility in Mechelen, Belgium, where there are 50 employees. It is generally reckoned that employment costs in Belgium are quite high, particularly compared to the costs of software engineers in Russia or India.

Bob Tibault, EMC's VP for Centera Product Engineering, talked to the Mechelen employees on Friday, December 12: "I announced the intent to discontinue the operation in Belgium and to proceed by the process for collective dismissal according to Belgian law. The details still have to be worked out and the outcome is not entirely clear."

The other EMC operations in Belgium, centred on its Zaventem office, are entirely unaffected by the intended Mechelen closure.

EMC was the first major storage company to introduce a CAS product and today over 3,500 customers use it, with more than 1.5PB of data stored in Centeras and 250-plus developers selling applications that can read and write Centera data. Several open systems competitors to Centera, such as Caringo, have emerged in the last three or four years.

EMC bought FilePool, started up by Jan Van Riel and Paul Carpentier, for its CAS technology in April 2001. The FilePool people became the Centera Belgian Development Group at Mechelen. Van Riel was appointed as the technology director for the Centera unit. Carpentier left and subsequently founded Caringo to implement CAS technology on commodity clustered hardware, which could also be used as a more general purpose file store. He is Caringo's chief technology officer.

In March this year Van Riel left EMC and joined Caringo to become its VP for advanced technology, thus reuniting the FilePool founders.

At that time Van Riel said that Centera's future was unclear and that the Centera unit was being scaled down.

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Earlier this month the ex-Centera chief technology officer, Mike Killian, joined Blackwave, an internet video storage and delivery company, as its chief technology officer. He had spent 11 years at EMC where, Blackwave stated, he led the acquisition, integration and growth of the Centera division as its CTO. Then, and quite recently, he worked as a distinguished engineer in EMC's Cloud Infrastructure and Services Division.

That is suggestive - as is EMC's recently anounced Atmos [2] product stores objects in a utility or cloud computing environment on commodity hardware and with open access protocols, not Centera-like proprietary ones. This means EMC has two object storage technologies.

Taken together, these excecutive moves and the closing of the Mechelen Centera development centre suggest that the Centera product could be approaching its end of life.

Bob Tibault denied this strongly: "Absolutely not. This is very simply a reallocation of engineering resources. We've been transitioning knowledge to the other Centera development centres.

"I'm very confident of EMC's ability to continue to develop Centera for our customers...

Atmos has no influence on this activity whatsoever. The use cases for the two products are very different."

Atmos, he said, is concerned with object storage access on a global scale whereas Centera is concerned with the archival retention of objects.

A collective dismissal process in Belgium involves [3] a consultation phase followed by a negotiation phase. The first phase could take 50 or more days with the negotiation phase perhaps taking 36 days, but each business is different and the time needed can vary.

If the Belgian collective dismissal process results in the loss of the jobs for the 50 employees at Mechelen it will be a sad blow, particularly at this time of year. ®

Links

- 1. http://www.theregister.co.uk/2008/12/05/emc_dec_layoffs/
- 2. http://www.theregister.co.uk/2008/11/10/emc_launches_maui_as_atmos/
- 3. http://www.claeysengels.be/db/files/press_release_restructurings_oct_20.pdf

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